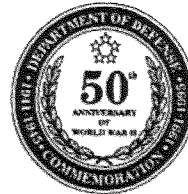




PERSONNEL AND  
READINESS

THE OFFICE OF THE UNDER SECRETARY OF DEFENSE  
4000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-4000



MAR -8 2010

MEMORANDUM FOR DIRECTOR OF ADMINISTRATION AND  
MANAGEMENT (DA&M)

SUBJECT: DoD Board of Actuaries Charter Renewal

The DoD Board of Actuaries is a federal advisory committee and its current charter was approved in March of 2008. The law requires charter renewal every two years.

The Board's mission is to report to the Secretary of Defense annually on the actuarial status of the DoD Military Retirement Fund, the DoD Education Benefits Fund, and any other fund specified by the Secretary of Defense; to furnish advice and opinion on matters referred to the Board by the Secretary; to review and validate valuations of the Funds under 10 U.S.C. §1465 and §2006; and to report periodically, not less than once every four years, to the President and Congress on the status of the Military Retirement Fund to include recommendations for funding modifications the Board considers appropriate and necessary to maintain the Fund on a sound actuarial basis.

The Board has diligently performed its duties during the last two years, including approving methods and assumptions for the valuation of the Military Retirement Fund, the Education Benefits Fund, and the Voluntary Separation Incentive Fund, and sending a report to the President and Congress on the Department of Defense Military Retirement Fund in February of 2009.

The DoD Boards of Actuaries were established to provide independent oversight of the valuations of the trust funds in their purview. Because contributions to and liabilities of these funds are extremely sensitive to the underlying assumptions, this responsibility must not rest with regular DoD employees.

The DoD Board of Actuaries was established under the provisions of 10 U.S.C. § 183, and the Federal Advisory Committee Act of 1972 (5 U.S.C., as amended), and cannot be discontinued without changing that legislation.



The proposed charter (attached) contains no significant changes from the existing one. I am requesting that you approve the DoD Board of Actuaries charter renewal.

A handwritten signature in black ink, appearing to read "Sharon H. Cooper".

Sharon H. Cooper  
Acting Deputy Under Secretary of Defense  
for Program Integration

Attachments  
As stated

CHARTER  
DEPARTMENT OF DEFENSE BOARD OF ACTUARIES

- A. Official Designation: The Committee shall be known as the Department of Defense Board of Actuaries (hereafter referred to as Board).
- B. Objectives and Scope of Activities: The Board, under the provisions of 10 U.S.C. § 183, and the Federal Advisory Committee Act of 1972 (5 U.S.C., as amended), shall (1) review valuations of the Department of Defense Military Retirement Fund in accordance with 10 U.S.C. § 1465(c) and submit to the President and Congress, not less than once every four years, a report on the status of the Fund including such recommendations for modifications to the funding or amortization of that Fund as the Board considers appropriate and necessary to maintain that Fund on a sound actuarial basis; (2) review valuations of the Department of Defense Education Benefits Fund in accordance with 10 U.S.C. § 2006(e), as amended, and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis; and (3) review valuations of such other funds as the Secretary of Defense shall specify for purpose of 10 U.S.C. § 183 and make recommendations to the President and Congress on such modifications to the funding or amortization of such funds as the Board considers appropriate to maintain such funds on a sound actuarial basis.

The Secretary of Defense shall ensure that the Board has access to such records regarding the Department of Defense Military Retirement Fund, the Department of Defense Education Benefits Fund, and other funds specified by the Secretary of Defense for purpose of 10 U.S.C. § 183 as the Board shall require to determine the actuarial status of such funds.

- C. Board Membership: The Board shall be composed of not more than three members appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries. Members appointed by the Secretary of Defense, who are not federal officers or employees, shall serve as Special Government Employees under the authority of 5 U.S.C. § 3109.

The members shall serve for a term of 15 years, except that a member of the Board appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed shall serve only until the end of such term. A member may serve after the end of the term until a successor has taken office. A member of the Board may be removed by the Secretary of Defense for misconduct or failure to perform functions vested in the Board, and for no other reason.

Each member of the Department of Defense Retirement Board of Actuaries or the Department of Defense Education Benefits Board of Actuaries, as of the date of enactment of section 906 of Public Law 110-181, shall serve as an initial member of

the Department of Defense Board of Actuaries from that date until the date otherwise provided for the completion of such individual's term as a member of the Department of Defense Retirement Board of Actuaries or the Department of Defense Education Benefits Board of Actuaries, as the case may be, unless earlier removed by the Secretary of Defense.

A member of the Board who is not an employee of the United States is entitled to receive pay at the daily equivalent of the annual rate of basic pay of the highest rate of basic pay then currently being paid under the General Schedule of subchapter III of chapter 53 of title 5, United States Code, for each day the member is engaged in the performance of the duties of the Board. In addition, each member shall receive compensation for per diem and travel for official Board travel.

Members shall not be reappointed for successive terms. The Chairperson of the Board shall be designated by the Under Secretary of Defense for Personnel and Readiness, on behalf of the Secretary of Defense, for a five-year term.

Board Members appointed by the Secretary of Defense, who are not Federal officers or employees, shall serve as Special Government Employees under the authority of 5 U.S.C. § 3109, and shall, under the authority of 10 U.S.C. § 2006(e)(1)(C), serve with compensation, to include travel and per diem for official travel.

The Department of Defense shall provide non-voting technical advisors to assist the Board in the execution of its duties. The following individuals shall designate one DoD employee for each fund under the Board's purview to serve as a non-voting advisor to assist the Board: (a) the Under Secretary of Defense (Comptroller)/Chief Financial Officer; (b) the Deputy Under Secretary of Defense for Military Personnel Policy; (c) the Assistant Secretary of Defense for Reserve Affairs; and (d) the Department of Defense General Counsel. In addition, the Department of Defense Chief Actuary will serve as a non-voting advisor and the Executive Secretary for the Board.

- D. Board Meetings: The Board shall meet at the call of the Designated Federal Officer, in consultation with the Chairperson, the Secretary of Defense or the Under Secretary of Defense for Personnel and Readiness. The estimated number of Board meetings is one per year.

The Designated Federal Officer shall be a full-time or permanent part-time DoD employee, and shall be appointed in accordance with established DoD policies and procedures. The Designated Federal Officer or Alternate Designated Federal Officer shall attend all Board and subcommittee meetings.

The Board shall be authorized to establish subcommittees, as necessary and consistent with its mission, and these subcommittees or working groups shall operate under the provisions of the Federal Advisory Committee Act of 1972, the

Government in the Sunshine Act of 1976 (5 U.S.C. § 552b, as amended), and other appropriate Federal regulations.

Such subcommittees or workgroups shall not work independently of the chartered Board, and shall report all their recommendations and advice to the Board for full deliberation and discussion. Subcommittees or workgroups have no authority to make decisions on behalf of the chartered Board nor can they report directly to the Department of Defense or any Federal officers or employees who are not Board Members.

- E. Duration of the Board: The need for this advisory function is on a continuing basis, but its charter is subject to renewal every two years.
- F. Agency Support: The Department of Defense, through the Under Secretary of Defense (Personnel & Readiness), shall provide administrative and support services as deemed necessary for the performance of the Board's functions, and shall ensure compliance with reporting requirements of 5 U.S.C., Appendix, as amended.

The Department of Defense shall provide information and assistance, as requested, to the Board. This information and assistance may include, but is not limited to, contracting authority, support contractors, and DoD Federally Funded Research and Development Centers for studies and analysis support.

- G. Termination Date: The Board is established by 10 U.S.C. § 183, and termination shall occur only upon change in the statutory authority.
- H. Operating Costs: It is estimated that the total annual operating costs, to include staff salaries, travel costs, and meeting and contract support is approximately \$75,000.00 and 0.5 Full-Time Equivalent (FTE).
- I. Recordkeeping: The records of the Board and its subcommittees shall be handled according to section 2, General Records Schedule 26 and appropriate DoD policies and procedures. These records shall be available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. § 552, as amended).
- J. Filing Date: